Louisville Gas and Electric Company
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232

Jrop Bry

December 18, 2003

Mr. Thomas M. Dorman, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

RE: Louisville Gas and Electric Company ***(Case No. 2003-00299)***

Dear Mr. Dorman:

Pursuant to Ordering Paragraph No. 5 of the Commission's Order in the aforementioned proceeding, Louisville Gas and Electric Company ("LG&E") herby files an original and three (3) copies of information related to an issuance under said Order.

On November 20, 2003, Louisville Gas and Electric Company (the "Company") completed the sale of $128,000,000 Pollution Control Revenue Bonds (Louisville Gas and Electric Company Project) as contemplated in the above-referenced Case. The details of the bond issue are as follows:

$128,000,000 Louisville/Jefferson County Metro Government,
Kentucky Pollution Control Revenue Bonds, 2003 Series A

The sale of the securities was negotiated with Morgan Stanley, Banc One, Bank of America, and Wachovia and was completed as shown in the table below:

Face Value	Initial Interest Rate	Rate Adjustment Date	Maturity
$128,000,000	1.05%	1/6/2004	10/1/2033

The interest rate on this bond issuance will be reset every 35 days through an auction mechanism that will reflect existing market conditions. The auction rate mode allows the Company to take advantage of the currently prevailing, historically low interest rates in the variable rate market, while achieving a significant cost savings as compared to the fixed rate prior to refinancing. The auction rate option does not require bank liquidity support, which eliminates future uncertainty of cost and availability of bank liquidity. It is slightly more expensive than the flexible rate mode, however it is less costly than a bank letter of credit backed issue and it eliminates the uncertainty related to the availability and cost of bank liquidity. In addition, the bond issuance has annual bond insurance based on credit ratings as a credit enhancement provided by XL Capital Assurance ("XL"). The auction rate procedures are detailed in Appendix B of the enclosed Official Statement. Morgan Stanley, Banc One, Bank of America, and Wachovia will act as the Remarketing Agent with respect to the bonds.

The Company has entered into four interest rate swaps that fix the interest rate on the bonds for the life of the bonds. Under these interest rate swaps, LG&E will pay an average of 3.666%.

The total underwriter's commission was paid to the following: Morgan Stanley - $179,200, Banc One - $89,600, Bank of America - $89,600, Wachovia Securities - $89,600. A two percent call premium in the amount of $2,560,000 was paid at closing. An insurance premium in the amount of $2,600,973.97 was paid at closing to XL. Other fees and expenses involved in the issuance and distribution (legal, printing, accounting, etc.) are estimated to be $300,000.

Please confirm your receipt of this information by placing the File Stamp of your Office on the enclosed additional copy and returning it in the envelope provided.

Should you have any questions, please contact me at 502-627-4110 or Don Harris at 502-627-2021.

Respectfully,

John Wolfram

CC: Dan Arbough
Elliott Horne
Kendrick Riggs – Ogden, Newell, and Welch

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PUBLIC SERVICE
COMMISSION

$128,000,000
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY POLLUTION CONTROL REVENUE BONDS, 2003 SERIES A, DUE OCTOBER 1, 2033 (LOUISVILLE GAS AND ELECTRIC COMPANY PROJECT)
DATED: Date of Original Issuance

The Pollution Control Revenue Bonds, 2003 Series A (Louisville Gas and Electric Company Project) (the "Bonds") will be special and limited obligations of Louisville/Jefferson County Metro Government, Kentucky (the "Issuer"), payable by the Issuer solely from and secured by payments to be received by the Issuer pursuant to a Loan Agreement with

LOUISVILLE GAS AND ELECTRIC COMPANY

(the "Company"), except as payable from proceeds of such Bonds or investment earnings thereon. The Bonds will not constitute general obligations of the Issuer or a charge against the general credit or taxing powers thereof or of the Commonwealth of Kentucky or any other political subdivision of Kentucky.

Until the Release Date (generally, the date upon which the Bond Insurer consents to the release of first mortgage bond collateral of the Company as security for the Bonds, provided that in no event shall that date be later than the date that all of the prior first mortgage bonds of the Company (other than the First Mortgage Bonds securing the Bonds and the First Mortgage Bonds, Pollution Control Series Y, Z, AA, BB, CC, DD, EE and FF) have been retired), principal of, and interest on, the Bonds will be further secured by the delivery to the Trustee of First Mortgage Bonds of the Company. See "SUMMARY OF THE BONDS—Security; Release Date; Limitation on Liens" and "SUMMARY OF THE FIRST MORTGAGE BONDS" for a description of the circumstances in which the First Mortgage Bonds will be released. ***On the Release Date, the Bonds will cease to be secured by First Mortgage Bonds and will be secured solely by payments to be made by the Company under the Loan Agreement, which will become unsecured general obligations of the Company, and will rank on a parity with other unsecured indebtedness of the Company. From and after the Release Date, the Company will covenant not to incur, assume or guarantee any secured indebtedness other than as permitted in the Loan Agreement. See "SUMMARY OF THE BONDS—Security; Release Date; Limitation on Liens."***

Payment of the principal of and interest on the Bonds when due will be insured by a financial guaranty insurance policy to be issued by XL Capital Assurance Inc. simultaneously with the delivery of the Bonds.

XL CAPITAL ASSURANCE

The Bonds will accrue interest from the date of original issuance and will initially bear interest at a Dutch Auction Rate determined pursuant to the Dutch Auction Procedures described in APPENDIX B hereto. The Bonds will continue to bear interest at the Dutch Auction Rate until their Conversion to a different Interest Rate Mode or until maturity. While the Bonds bear interest at the Dutch Auction Rate, the Bonds will not be subject to purchase on demand of the owners thereof. Prospective purchasers of the Bonds should carefully review the Dutch Auction Procedures and should note that such procedures provide that (i) a Bid or Sell Order constitutes a commitment to purchase or sell Bonds based upon the results of an Auction, (ii) Auctions will be conducted through telephone communications and (iii) settlement for purchases and sales will be made on the Business Day following an Auction. Beneficial interests in Bonds bearing interest at a Dutch Auction Rate may be transferred only pursuant to a Bid or Sell Order placed in an Auction or to or through a Broker-Dealer.

The Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository. Purchases of beneficial ownership interests in the Bonds bearing interest at the Dutch Auction Rate will be made in book-entry only form in denominations of $25,000 and integral multiples thereof. Purchasers will not receive certificates representing their beneficial interest in the Bonds. See the information contained under the caption "SUMMARY OF THE BONDS—Book-Entry-Only System" herein. The principal of, premium, if any, and interest on the Bonds will be paid by Deutsche Bank Trust Company Americas, as Trustee, to Cede & Co., as long as Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the purchasers of beneficial ownership interests is the responsibility of DTC's Direct and Indirect Participants, as more fully described herein.

PRICE: 100%

Subject to the conditions and exceptions set forth under the caption "TAX TREATMENT," Bond Counsel is of the opinion that, under current law, interest on the Bonds offered hereby will be excludable from the gross income of the recipients thereof for federal income tax purposes, except that no opinion will be expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" or a "related person" of the Project as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be an item of tax preference in determining alternative minimum taxable income for individuals and corporations under the Code. Such interest may be subject to certain federal income taxes imposed on certain corporations, including imposition of the branch profits tax on a portion of such interest. Bond Counsel is further of the opinion that interest on the Bonds will be excludable from the gross income of the recipients thereof for Kentucky income tax purposes and that, under current law, the principal of the Bonds will be exempt from ad valorem taxes in Kentucky. Issuance of the Bonds is subject to receipt of a favorable tax opinion of Bond Counsel as of the date of delivery of the Bonds. See "TAX TREATMENT" herein.

The Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, and to the approval of legality by Harper, Ferguson & Davis, a division of Ogden Newell & Welch PLLC, Louisville, Kentucky, as Bond Counsel and upon satisfaction of certain conditions. Certain legal matters will be passed upon for the Company by its counsel, Jones Day, Chicago, Illinois and John R. McCall, Esq., Executive Vice President, General Counsel and Corporate Secretary of the Company, for the Issuer by its County Attorney, and for the Underwriters by their counsel, Winston & Strawn LLP, Chicago, Illinois. It is expected that the Bonds will be available for delivery to DTC in New York, New York on or about November 20, 2003.

MORGAN STANLEY

BANC OF AMERICA SECURITIES LLC

BANC ONE CAPITAL MARKETS, INC.

WACHOVIA BANK, NATIONAL ASSOCIATION

November 13, 2003

No dealer, broker, salesman or other person has been authorized by the Issuer, the Company or the Underwriters to give any information or to make any representation with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. Although the Issuer has consented to the use of this Official Statement in connection with the initial issuance and sale of the Bonds, the Issuer does not make any representation with respect to the accuracy or completeness hereof, except for the information under the caption "THE ISSUER."

In connection with the offering of the Bonds, the Underwriters may over-allot or effect transactions which stabilize or maintain the market prices of such Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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OFFICIAL STATEMENT

$128,000,000
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY POLLUTION CONTROL REVENUE BONDS, 2003 SERIES A, DUE OCTOBER 1, 2033 (LOUISVILLE GAS AND ELECTRIC COMPANY PROJECT)

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and Appendices, is provided to furnish information in connection with the offer and sale by the Louisville/Jefferson County Metro Government, Kentucky (the "Issuer") of its Pollution Control Revenue Bonds, 2003 Series A (Louisville Gas and Electric Company Project), in the aggregate principal amount of $128,000,000 (the "Bonds") to be issued pursuant to an Indenture of Trust dated as of October 1, 2003 (the "Indenture") between the Issuer and Deutsche Bank Trust Company Americas (the "Trustee"), as Trustee, Paying Agent and Bond Registrar.

Pursuant to a Loan Agreement by and between Louisville Gas and Electric Company (the "Company") and the Issuer, dated as of October 1, 2003 (the "Loan Agreement"), proceeds from the sale of the Bonds, other than accrued interest, if any, paid by the initial purchasers thereof, will be loaned by the Issuer to the Company. The Loan Agreement is a separate undertaking by and between the Company and the Issuer.

The proceeds of the Bonds (other than any accrued interest) will be applied in full, together with other funds made available by the Company, to pay and discharge (i) $102,000,000 in outstanding principal amount of "County of Jefferson, Kentucky, Pollution Control Revenue Bonds (Louisville Gas and Electric Company Project) 1993 Series B," dated August 15, 1993 (the "1993 Series B Bonds"), and (ii) $26,000,000 in outstanding principal amount of "County of Jefferson, Kentucky, Pollution Control Revenue Bonds (Louisville Gas and Electric Company Project) 1993 Series C," dated October 15, 1993 (the "1993 Series C Bonds," and together with the 1993 Series B Bonds, the "1993 Bonds"), in each case previously issued by the governmental predecessor of the Issuer to currently refinance certain prior pre-1986 bonds which financed a portion of the Project, consisting of certain air and water pollution control and solid waste disposal facilities (the "Project") owned by the Company.

It is a condition to the Underwriters' obligation to purchase the Bonds that the Company irrevocably instruct the trustee in respect of the 1993 Bonds on or prior to the date of issuance of the Bonds, to call the 1993 Bonds for redemption.

The Company is an operating subsidiary of LG&E Energy Corp. and E.ON AG (the "Parents"). See "APPENDIX A — The Company." The Parents will have no obligation to make any payments due under the Loan Agreement or First Mortgage Bonds (as defined herein) or any other payments of principal, interest, premium or purchase price of the Bonds.